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investment advisor to certain funds, and for CQS ABS Master  
Fund Limited and CQS ABS Alpha Master  
Fund Limited.*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
Residential Capital, LLC, <i>et al.</i> ,	)	Case No. 12-12020 (MG)
	)	
Debtors.	)	Jointly Administered
_____	)	

**NOTICE OF FILING OF MONARCH ALTERNATIVE CAPITAL LP, STONEHILL  
CAPITAL MANAGEMENT LLC, CQS ABS ALPHA MASTER FUND LIMITED, CQS  
ABS MASTER FUND LIMITED, AND BAYVIEW FUND MANAGEMENT LLC'S  
MOTION IN LIMINE TO PRECLUDE THE TRUSTEES FROM OFFERING ANY  
EVIDENCE OF THEIR RELIANCE ON COUNSEL IN SUPPORT OF DEBTORS' 9019  
MOTION (IN LIMINE MOTION FOUR)**

**PLEASE TAKE NOTICE** that, pursuant to the *Scheduling Order* [ECF No. ],  
dated August , 2013, entered by the Bankruptcy Court in connection with the *Debtors' Motion  
Pursuant to Fed. R. Bankr. P. 9019 for Approval of the Settlement Agreement Among the  
Debtors, FGIC, the FGIC Trustees, and Certain Individual Investors* [ECF No. 3929] (the "**9019  
Motion**"), Monarch Alternative Capital LP, Stonehill Capital Management LLC, and Bayview  
Fund Management LLC, each in its capacity as investment advisor to certain funds, and CQS

ABS Alpha Master Fund Limited and CQS ABS Master Fund Limited (collectively, the “**Investors**”) hereby file the Investors’ *Motion in Limine to Preclude the Trustees from Offering Any Evidence of Their Reliance on Counsel in Support of Debtors’ 9019 Motion (In Limine Motion Four)*.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the *Order Regarding Exchange of Confidential Information* [ECF No. 4249] (the “**Confidentiality Order**”), dated July 16, 2013, entered by the Bankruptcy Court in connection with the 9019 Motion, certain portions of the Motion in Limine are hereby filed in redacted form and under seal. Unredacted copies of the Motion in Limine will be provided to the Bankruptcy Court and served on parties to the Confidentiality Order.

Dated: August 7, 2013  
New York, New York

WILLKIE FARR & GALLAGHER LLP

By: /s/ Joseph T. Baio  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
Residential Capital, LLC, <i>et al.</i> ,	)	Case No. 12-12020 (MG)
	)	
Debtors.	)	Jointly Administered
_____	)	

**MONARCH ALTERNATIVE CAPITAL LP, STONEHILL CAPITAL MANAGEMENT  
LLC, CQS ABS ALPHA MASTER FUND LIMITED, CQS ABS MASTER FUND  
LIMITED, AND BAYVIEW FUND MANAGEMENT LLC'S  
MOTION *IN LIMINE* TO PRECLUDE THE TRUSTEES FROM OFFERING ANY  
EVIDENCE OF THEIR RELIANCE ON COUNSEL IN SUPPORT OF DEBTORS' 9019  
MOTION (*IN LIMINE* MOTION FOUR)**

TO THE HONORABLE MARTIN GLENN,  
UNITED STATES BANKRUPTCY JUDGE:

Monarch Alternative Capital LP, Stonehill Capital Management LLC, and Bayview Fund Management LLC, each in its capacity as investment advisor to certain funds, and CQS ABS Alpha Master Fund Limited and CQS ABS Master Fund Limited (collectively, the “**Investors**”) hereby file this motion *in limine* to preclude the FGIC Trustees (the “**Trustees**”) from offering any evidence of their reliance on counsel in support of the Debtors’ Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the Settlement Agreement (the “**Settlement Agreement**” or “**Settlement**”) Among the Debtors, FGIC, the FGIC Trustees and Certain Institutional Investors (the “**9019 Motion**”) and the findings (the “**Findings**” or the “**Exculpatory Findings**”) contained in the Proposed Order filed with that motion (the “**Proposed Order**”).

#### PRELIMINARY STATEMENT

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1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.

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1. The first group of variables includes the demographic characteristics of the respondents, such as age, gender, and education level. These variables are used to control for potential confounding factors that may influence the relationship between the independent and dependent variables.

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**4. Debtors Also Rely on the Advice of Counsel While Refusing to Produce Documents Counsel Considered In Forming His Opinion**

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#### ARGUMENT

5. **The Trustees Should Be Precluded From Offering Any Argument Or Evidence That They Relied On The Recommendation Of Counsel In Determining To Approve The FGIC Settlement Agreement.**

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6. **The Trustees Should Be Precluded From Offering Any Argument Or Evidence That They Acted In Good Faith In Determining To Approve The FGIC Settlement Agreement.**

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**7. For the Same Reasons, Debtors Should Be Precluded From Relying on  
Counsels' Expert Testimony**

[REDACTED]

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[REDACTED]

### CONCLUSION

WHEREFORE, the Investors respectfully request that the Court enter an order (1) precluding the Trustees from introducing at the hearing of the 9019 Motion any argument or evidence of (i) Trustees' reliance on the recommendations of their counsel with respect to the FGIC Settlement Agreement, (ii) the Trustees' good faith belief that the FGIC Settlement Agreement was in the best interests of the Trusts or the Investors; (iii) any testimony from Mr. Lipps or (iv) any documents considered, relied up, or prepared by Mr. Lipps.

Dated: August 7, 2013  
New York, New York

WILLKIE FARR & GALLAGHER LLP

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